

Determining the Direction of Causality between Creating Innovation and Technology Market

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Abstract : In this paper an attempt is made to establish causal nexuses between innovation and international trade in Russia. The topicality of this issue is determined by the necessity of choosing policy instruments for economic modernization and transition to innovative development. The vector auto regression (VAR) model and Granger test are applied for the Russian monthly data from 2005 until the second quartile of 2015. Both lagged import and export at the national level cause innovation, the latter starts to stimulate foreign trade since it is a remote lag. In comparison to aggregate data, the results by patent's categories are more diverse. Importing technologies from foreign countries stimulates patent activity, while innovations created in Russia are only Granger causality for import to Commonwealth of Independent States.

Keywords : export, import, innovation, patents

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